

# Financial Report

6M21

# Financial Report 6M21

Credit Suisse (Schweiz) AG

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Capital adequacy disclosures for Credit Suisse Group AG and Credit Suisse (Schweiz) AG are presented in the publications "Pillar 3 and regulatory disclosures – Credit Suisse Group AG" and "Regulatory disclosures – Subsidiaries", respectively, which are available on Credit Suisse Group's website credit-suisse.com/regulatorydisclosures.

# Report on the Review

of Interim financial statements to the Board of Directors of Credit Suisse (Schweiz) AG Zurich, Switzerland

According to your request, we have reviewed the interim financial statements (statements of income, balance sheets, statement of changes in equity and notes, pages 3 to 6) of Credit Suisse (Schweiz) AG for the period ended June 30, 2021.

These interim financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these interim financial statements based on our review.

Our review was conducted in accordance with the Swiss Auditing Standard 910, which requires that a review be planned and performed to obtain limited assurance about whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not in accordance with the accounting, disclosure and valuation requirements of Swiss law that are applicable for the preparation of financial statements.

PricewaterhouseCoopers AG

Roman Berlinger Audit Expert

Ralph Gees Audit Expert

Zurich, August 20, 2021

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# Interim financial statements – unaudited

# Statements of income (unaudited)

<u>in</u>	6M21	6M20
Statements of income (CHF million)		
Interest and discount income	1,081	1,031
Interest and dividend income from trading activities	0	12
Interest and dividend income from financial investments	2	1
Interest expense	7	(147)
Gross income from interest activities	1,090	897
(Increase)/release of allowance for default risks and losses from interest activities	(25)	(113)
Net income from interest activities	1,065	784
Commission income from securities trading and investment activities	834	783
Commission income from lending activities	92	90
Commission income from other services	196	206
Commission expense	(213)	(217)
Net income from commission and service activities	909	862
Net income/(loss) from trading activities and fair value option	134	173
Income from participations	172	322
Income from real estate	2	0
Other ordinary income	268	163
Net income from other ordinary activities	442	485
Personnel expenses	649	609
General and administrative expenses	741	701
Total operating expenses	1,390	1,310
Impairment of participations, depreciation and amortization of tangible fixed assets and intangible assets	400	385
Increase/(release) of provisions and other valuation adjustments, and losses	25	16
Operating profit	735	593
Extraordinary income	6	0
Taxes	(116)	(65)
Net profit	625	528

# Balance sheets (unaudited)

Asset SCHF million         Sear and other liquid seals         57,94         50,80           Due from banks         57,94         50,80           Due from customers         8,90         50,80           Due from customers         159,61         35,80           Mortgage loans         19,04         30,80           Trading assets         1,00         40,70           Positive replacement values of derivative financial instruments         24,00         20,70           Positive replacement values of derivative financial instruments         24,00         30,80           Positive replacement values of derivative financial instruments         24,00         30,80           Positive replacement values of derivative financial instruments         24,00         30,80           Accused income and prepaid expenses         40,60         30,80           Participations         40,60         30,80           Participations         40,60         40,60           Interplace assets         40,60         40,60           Interplacements         50,60         40,60           Interplace assets         50,60         40,60           Interplace assets         50,60         40,60           Interplace assets         50,60         40,60	end of	6M21	2020
Due from banks         7,94         5,940           Securities borrowing and reverse repurchase agreements         8,926         8,583           Due from customers         3,956         3,381           Mortgage loans         139,412         138,175           Trading assets         1,192         2,179           Positive replacement values of derivative financial instruments         2,04         2,179           Floatil investments         426         3,28           Accrued income and prepaid expenses         426         308           Participations         426         308           Intragible fixed assets         450         416           Intragible assets         450         416           Other assets         550         418           Total subsordinated receivables         255,97         20,306           Total subsordinated receivables subject to contractual mandatory conversion and/or cancellation         40         40           Interplacement values of derivative financial instruments         26,107         4,215           Securities lending and repurchase agreements         4,170         4,936           Securities lending and repurchase agreements         2,170         4,936           Securities lending and repurchase agreements         2,172<	Assets (CHF million)		
Securities borrowing and reverse repurchase agreements         8,925         38,848           Due from customers         38,947         38,818         38,818         18,817         78,818         18,917         18,817         78,818         18,912         18,917         78,019         18,917         18,912         18,917         18,912         18,918         1	Cash and other liquid assets	57,430	57,188
Due from customers         35,957         38,881           Mortgage loans         19,192         10,004           Trading assels         1,199         2,004           Positive replacement values of derivative financial instruments         2,343         2,179           Financial investments         2,004         2,008           Accrued incord and prepaid expenses         456         388           Participations         906         1,006           Tanglish fixed assets         6         45           Interpretations         6         41           Other assets         6         45           Total subordinated receivables         25,917         20,307           Total subordinated receivables subject to contractual mandatory conversion and/or cancellation         40         40           Verbilities and shareholders' equity         25,917         20,508           Ecurities leading and repurchase agreements         4,700         40           Causiomer deposits         18,904         179,909           Total jabilities         20         12           Recurries leading and repurchase agreements         4,700         20           Leading labilities         20         12           Recurries leading and repurchase agreements<	Due from banks	7,941	5,940
Mortgage loans         139.41 (2) (10.04)           Trading assets         1,109 (2)           Positive replacement values of derivative financial instruments         2,343 (2)           Financial investments         2,62 (2)           Accrued income and prepaid expenses         45 (2)           Participations         45 (2)           Inagiplie fixed assets         46 (2)           Interplace assets         66 (2)           Interplace assets         25 (3)           Total subordinated receivables         60 (2)           Total subordinated receivables         70 (2)           Other lass behaves         25 (3)           Every titles and shareholders' equity         25 (3)           Due to bank         26 (3)           Scurities lending and repurchase agreements         26 (3)           Scurities lending and repurchase agreements         4 (10)           Scurities lending and repurchase agreements         4 (10)           Scurities lending and repurchase agreements         26 (6)           Scurities and shareholders'equity         26 (6)           Scurities lending and repurchase agreements         2 (6)           Scurities lending and repurchase agreements         2 (6)           Scurities lending and repurchase agreements         2 (7)	Securities borrowing and reverse repurchase agreements	8,922	8,648
Training assets         1,192         1,084           Positive replacement values of derivative financial instruments         2,343         2,179           Financial investments         264         248           Accrued income and prepald expenses         405         388           Participations         906         906           Inalphie fixed sasets         68         416           Interplace assets         68         85           Total subordinated receivables         90         90           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Use to banks         4,10         4,90           Securities lending and repurchase agreements         4,10         4,90           Customer deposits         4,10         4,90           Customer deposits         18,90         19           Tead jubilities         2,90         19           Postative replacement values of derivative financial instruments         29         1,20           Regative replacement values of derivative financial instruments         29         1,20           Orbert labilities         5,0         7,71           Octual dexpense	Due from customers	35,957	33,881
Positive replacement values of derivative financial instruments         2,43         2,77           Financial investments         240         249           Accurued income and prepaid expenses         406         308           Participations         908         308           Tangible fixed assets         402         446           Intangible assets         68         58           Total seyst         68         58           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         25,155           Besulf subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40,00           Labilities and Shareholders' equity         26,107         21,155         21,155           Securities lending and repurchase agreements         41,70         4,908         40,908           Customer deposits         182,00         17,90         40           Sequities lending and repurchase agreements         19,00         2           Medium-term notes         13         17           Bonds and mortgage-backed bonds         26         7           Crow l	Mortgage loans	139,412	138,175
Financial investments         240         2480           Accoud income and prepaid expenses         458         388           Participations         606         506           Tangible fixed assets         462         456           Inlangible assets         608         562           Other assets         250         250           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Eduitities and shareholders' equity         26,157         25,155           Securities lending and repurchase agreements         4170         4,908           Reduin-term notes         12,909         120           Medium-term notes         270         120           Medium-term notes         270         120           Acroued expenses and deferred income         62         70           Other labilities         210         10           Total liabilities         210<	Trading assets	1,192	1,094
Accrued income and prepaid expenses         426         388           Participations         906         906         906         146         466         146         146         146         146         146         146         146         146         146         141         140         141	Positive replacement values of derivative financial instruments	2,343	2,179
Participations         906           Tangible fixed assets         462         456           Intangible assets         68         852           Total substitute         68         852           Total assets         255,917         250,87           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Liabilities and shareholders' equity         26,617         21,55           Due to banks         26,617         21,55           Securities lending and repurchase agreements         41,70         4,908           Customer deposits         182,904         179,946           Teagliabilities         0         2           Regative replacement values of derivative financial instruments         29         1,202           Medium-term notes         13         17           Droil sond         27,651         27,151           Accrued expenses and deferred income         62         768           Other liabilities         10         10           Total liabilities         243,028         236,030           Provisions         10         10           Legal capital reserves	Financial investments	240	249
Tangible fixed assets         465           Intangible assets         59         411           Other assets         55,917         25,917           Total assets         55,917         250,917           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Libilities and shareholders' equity         26,617         22,156           Securities lending and repurchase agreements         41,70         42,006           Customer deposits         46,00         22           Total publishities         90         9           Equitive replacement values of derivative financial instruments         29         1,20           Megative replacement values of derivative financial instruments         29         1,20           Megative replacement values of derivative financial instruments         29         1,20           Megative replacement values of derivative financial instruments         29         1,20           Medium-term notes         27         6         2         76           Mortification of the problem of expected bonds         27         76         2         76           Other liabilities         28         3         3	Accrued income and prepaid expenses	425	388
Intangible assets         59         411           Other assets         628         852           Total lassets         25.917         250.60           Total pubordinated receivables         90         9           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Listilities and shareholders' equity         26.617         22.155           Due to banks         26.617         22.155           Securities lending and repurchase agreements         41,70         4,908           Customer deposits         182,904         179,946           Use dailulities         9         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         133         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         103         12           Provisions         103         12           Total liabilities         243,028         236,03           Share capital         10         10           Legal capital reserves         11,122         14,64	Participations	906	906
Other assets         628         852           Total assets         255,917         250,367           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         70           Liabilities and shareholders' equity         26,617         22,155           Due to banks         26,617         4,908           Securities lending and repurchase agreements         182,904         179,946           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,611         27,171           Accrued expenses and deferred income         622         768           Other liabilities         130         120           Total liabilities         243,028         236,903           Accrued expenses and deferred income         243,028         236,903           Other liabilities         10         10         10           Other liabilities         243,028         236,903         24	Tangible fixed assets	462	456
Total subordinated receivables         255,917         250,867           Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Liabilities and shareholders' equity         26,617         22,155           Due to banks         26,617         22,155           Securities lending and repurchase agreements         4,170         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,002           Medium-term notes         293         1,702           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         10         12           Total liabilities         24,022         36,900           Other liabilities         24,022         36,900           Other liabilities         10         10           Otal inbilities         21,022         36,900           Otal inbilities         21,022 </td <td>Intangible assets</td> <td>59</td> <td>411</td>	Intangible assets	59	411
Total subordinated receivables         90         90           of which receivables subject to contractual mandatory conversion and/or cancellation         40         40           Liabilities and shareholders' equity         26,617         22,155           Due to banks         26,617         22,155           Securities lending and repurchase agreements         41,70         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         100           Total liabilities         243,028         236,903           Share capital         10         0           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,822           Retained earnings carried forward         25         62           Total shareholders' equ	Other assets	628	852
of which receivables subject to contractual mandatory conversion and/or cancellation         40           Liabilities and shareholders' equity         26,617         22,156           Due to banks         26,617         22,156           Securities lending and repurchase agreements         41,70         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,002           Medium-term notes         27,051         27,171           Bonds and mortgage-backed bonds         27,651         27,171           Accured expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,22         17,024           Retained earnings carried forward         25,97         61           Retained earnings carried forward         625         641           Total shareholders' equity         12,88         13,464           Total liabilities and	Total assets	255,917	250,367
Liabilities and shareholders' equity           Due to banks         26,617         22,155           Securities lending and repurchase agreements         4,170         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total subordinated liabilities and shareholders' equity         255,917         250,967           Total subordinated liabilities         13,305         13,305	Total subordinated receivables	90	90
Due to banks         26,617         22,156           Securities lending and repurchase agreements         4,170         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         100         100           Share capital         100         100           Legal capital reserves         11,122         11,622           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         70           Net profit         625         641           Total shareholders' equity         12,884         36,464           Total liabilities and shareholders' equity         250,917         250,917           Total subordinated liabilities         13,305         13,305	of which receivables subject to contractual mandatory conversion and/or cancellation	40	40
Due to banks         26,617         22,156           Securities lending and repurchase agreements         4,170         4,908           Customer deposits         182,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         100         100           Share capital         100         100           Legal capital reserves         11,122         11,622           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         70           Net profit         625         641           Total shareholders' equity         12,884         36,464           Total liabilities and shareholders' equity         250,917         250,917           Total subordinated liabilities         13,305         13,305	Liabilities and shareholders' equity		
Customer deposits         188,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	• •	26,617	22,155
Customer deposits         188,904         179,946           Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Securities lending and repurchase agreements	4,170	4,908
Trading liabilities         0         2           Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305		182,904	179,946
Negative replacement values of derivative financial instruments         292         1,202           Medium-term notes         139         179           Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         250,917         250,367           Total subordinated liabilities         13,305         13,305		0	2
Bonds and mortgage-backed bonds         27,651         27,171           Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         11,122         11,624           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305		292	1,202
Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Medium-term notes	139	179
Accrued expenses and deferred income         622         768           Other liabilities         530         452           Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Bonds and mortgage-backed bonds	27,651	27,171
Provisions         103         120           Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305		622	768
Total liabilities         243,028         236,903           Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Other liabilities	530	452
Share capital         100         100           Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Provisions	103	120
Legal capital reserves         12,144         12,644           of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Total liabilities	243,028	236,903
of which capital contribution reserves         11,122         11,622           Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Share capital	100	100
Retained earnings carried forward         20         79           Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	Legal capital reserves	12,144	12,644
Net profit         625         641           Total shareholders' equity         12,889         13,464           Total liabilities and shareholders' equity         255,917         250,367           Total subordinated liabilities         13,305         13,305	of which capital contribution reserves	11,122	11,622
Total shareholders' equity12,88913,464Total liabilities and shareholders' equity255,917250,367Total subordinated liabilities13,30513,305	Retained earnings carried forward	20	79
Total liabilities and shareholders' equity255,917250,367Total subordinated liabilities13,30513,306	Net profit	625	641
Total subordinated liabilities 13,305 13,306	Total shareholders' equity	12,889	13,464
	Total liabilities and shareholders' equity	255,917	250,367
of which liabilities subject to contractual mandatory conversion and/or cancellation 3,105 3,105	Total subordinated liabilities	13,305	13,306
	of which liabilities subject to contractual mandatory conversion and/or cancellation	3,105	3,105

## Off-balance sheet transactions (unaudited)

end of	6M21	2020
CHF million		
Contingent liabilities	15,849	16,774
Irrevocable commitments	14,521	12,891
Obligations for calls on shares and additional payments	101	101

#### Off-balance sheet transactions

Contingent liabilities include guarantees for obligations, performance-related guarantees and letters of comfort issued to third parties. Contingencies with a stated amount are included in the off-balance sheet section of the financial statements. In some instances, the exposure of Credit Suisse (Schweiz) AG is not defined as an amount but relates to specific circumstances such as the solvency of subsidiaries or the performance of a service.

#### Joint and several liability

Credit Suisse (Schweiz) AG holds assets at a carrying value of CHF 2,796 million and CHF 4,738 million as of June 30, 2021 and December 31, 2020, respectively, which are pledged under the covered bond program of Credit Suisse AG and for which the related liabilities of CHF 2,053 million and CHF 3,390 million as of June 30, 2021 and December 31, 2020 are reported by Credit Suisse AG. As of June 30, 2021 and December 31, 2020, the contingent liabilities of Credit Suisse (Schweiz) AG under the covered bond program of Credit Suisse AG are CHF 2,053 million and CHF 3,390 million, respectively. Credit Suisse (Schweiz) AG also entered into a contractual arrangement under which it assumed joint and several liability in connection with Credit Suisse (Schweiz) AG's roles under the covered bonds program.

Credit Suisse (Schweiz) AG is a member of Credit Suisse Group AG's Swiss value added tax (VAT) group and therefore subject to joint and several liability according to the Swiss VAT Act.

#### Deposit insurance guarantee program

Deposit-taking banks and securities dealers in Switzerland are required to ensure the payout of privileged deposits in the case of specified restrictions or compulsory liquidation of a deposittaking bank, and they jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by the Swiss Financial Market Supervisory Authority FINMA (FINMA) or by the compulsory liquidation of another deposit-taking bank, the participating bank's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate, Credit Suisse (Schweiz) AG's share in the deposit insurance guarantee program for the period July 1, 2020 to June 30, 2021 was CHF 460 million, which included the respective share from its former subsidiary Neue Aargauer Bank AG. This deposit insurance guarantee is reflected in irrevocable commitments.

# Statement of changes in equity (unaudited)

		Legal capital reserves				
	Share capital	Total	of which: capital contribution reserves 1	Retained earnings carried forward	Net profit	Total share- holders' equity
6M21 (CHF million)						
Balance at beginning of period	100	12,644	11,622	79	641	13,464
Appropriation of net profit	-	_	_	641	(641)	_
Dividends and other distributions		(500)	(500)	(700)	-	(1,200)
Net profit	_				625	625
Balance at end of period	100	12,144	11,122	20	625	12,889

<sup>1</sup> Distributions from capital contribution reserves are free of Swiss withholding tax.

# Notes to the interim financial statements – unaudited

## 1 Company details, business developments and subsequent events

### Company details

Credit Suisse (Schweiz) AG is a Swiss bank incorporated as a joint stock corporation (public limited company), with its registered office in Zurich, Switzerland.

Credit Suisse (Schweiz) AG is a wholly owned subsidiary of Credit Suisse AG and Credit Suisse AG is a wholly owned subsidiary of Credit Suisse Group AG (the Group), both domiciled in Switzerland.

### **Business developments**

#### Supply chain finance funds matter

As previously reported, the boards of four supply chain finance funds managed by certain Group subsidiaries decided to suspend

redemptions and subscriptions of those funds to protect the interests of the funds' investors, to terminate these funds and to proceed to their liquidation. Certain clients have threatened litigation and, as this matter develops, Credit Suisse (Schweiz) AG may become subject to litigation, disputes or other actions. Credit Suisse (Schweiz) AG continues to analyze this matter. In 6M21, the supply chain finance funds matter did not have a material impact on the financial results of Credit Suisse (Schweiz) AG.

### Subsequent events

There were no subsequent events from the balance sheet date until August 20, 2021, the publishing date of these interim financial statements.

## 2 Accounting and valuation principles

# Summary of significant accounting and valuation principles

#### Basis for accounting

The Credit Suisse (Schweiz) AG unaudited standalone interim financial statements are prepared in accordance with the accounting rules of the Swiss Federal Law on Banks and Savings Banks (Bank Law), the corresponding Implementing Ordinance (Bank Ordinance), the Swiss Financial Market Supervisory Authority's Accounting Ordinance (FINMA Accounting Ordinance) and FINMA circular 2020/1, "Accounting rules for banks, securities dealers, financial groups and conglomerates" (Swiss GAAP statutory) as applicable for the preparation of reliable assessment statutory single-entity financial statements (Statutarischer Einzelabschluss mit zuverlässiger Darstellung). These interim financial statements should be read in conjunction with the standalone financial statements and notes thereto for the year ended December 31, 2020 included in the Annual Report 2020 of Credit Suisse (Schweiz) AG.

The new FINMA Accounting Ordinance and the revised FINMA circular 2020/1, "Accounting – banks", became effective on

January 1, 2020. In addition to a formal restructuring of the guidance, changes with regard to valuation adjustments for default risks were introduced. For larger banks, such as Credit Suisse (Schweiz) AG, the new guidance requires the introduction of an expected credit loss approach for default risks on non-impaired loans, receivables, debt securities held-to-maturity and certain off-balance sheet credit exposures such as irrevocable loan commitments. In accordance with the transitional provisions, Credit Suisse (Schweiz) AG adopted the expected credit loss approach for its standalone financial statements as of January 1, 2021, applying the accounting principles generally accepted in the US (US GAAP) in line with the Group and as allowed under Swiss GAAP statutory accounting rules for banks. The entire adoption impact was recorded on January 1, 2021 and included total expenses of CHF 37 million before taxes. Of the total adoption impact, CHF 4 million was related to on-balance sheet credit exposures and reported in "(Increase)/release of allowance for default risks and losses from interest activities" and CHF 33 million was related to off-balance sheet credit exposures and reported in "Increase/(release) of provisions and other valuation adjustments, and losses".

→ Refer to "Note 2 – Accounting and valuation principles" in the Annual Report 2020 for further information.

# 3 Extraordinary income

in	6M21	6M20
CHF million		
Gains realized from the disposal of participations	6 <sup>1</sup>	0
Extraordinary income	6	0

 $<sup>{</sup>f 1}$  Primarily related to the liquidation of a participation.





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